

IN RE: Joint Application of Progress Energy) ORDER
Carolinac, Incorporated and Fairfield Electric) APPROVING
Cooperative, Incorporated to Establish Electric) AGREEMENT
Service Rights)

According to the Joint Application, residential subdivision developers in Kershaw County have plans to construct two new residential subdivisions. One is to be known as the Paces Green Subdivision and the other will be known as the Magnolia Park. Both

PEC and Fairfield contend that they have the right to serve certain lots in both subdivisions. In order to minimize the duplication of facilities installed to serve these subdivisions and to provide electricity to the lots within the subdivisions in the most practical manner possible, Fairfield and PEC have determined that it would be prudent to agree upon the lots each will serve in each subdivision. To that end, PEC and Fairfield have entered into a Customer/Territorial Agreement dated December 15, 2005, which is attached hereto as Order Exhibit No. 1. This agreement clearly articulates the service rights as agreed to by PEC and Fairfield within each subdivision.

The Joint Applicants strongly believe that the establishment of each electric supplier's service rights as set forth in the Customer/Territorial Agreement is both the most efficient and practical manner for providing service to the premises in question and is in the public interest. Therefore, PEC and Fairfield apply to this Commission for approval of the Customer/Territorial Agreement in question.

The Office of Regulatory Staff (ORS) has consented to the Joint Application and recommends that this Commission approve the Joint Application as filed.

S.C. Code Ann. Section 58-27-660 (1) (1976) states that "Any electric supplier may furnish electric service...at premises which another electric supplier has the right to serve...upon agreement of the affected electric suppliers." We believe that this section authorizes the agreement before us. We note that ORS consents and recommends approval. We approve the agreement as filed. We commend the parties for working out their differences in this matter, and believe that approval of the agreement is clearly in the

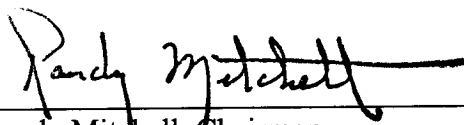
MARCH 20, 2006

PAGE 3

public interest, as it resolves potential disputes over service, and allows electric service to be provided in the new subdivisions.

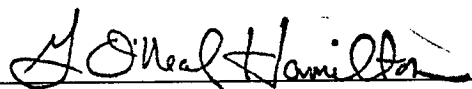
This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Randy Mitchell, Chairman

ATTEST:



G. O'Neal Hamilton, Vice-Chairman

(SEAL)